

Depomed Announces Acquisition Of Zipsor® (diclofenac potassium) From Xanodyne Pharmaceuticals, Inc.

Current revenue of Zipsor is approximately \$19 million

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MENLO PARK, Calif., June 21, 2012 /PRNewswire/ -- Depomed, Inc. (NASDAQ: [DEPO](#)) today announced that it has acquired all rights to Zipsor® (diclofenac potassium) Liquid Filled Capsules from Xanodyne Pharmaceuticals, Inc. Zipsor is a non-steroidal anti-inflammatory drug (NSAID) indicated for relief of mild to moderate acute pain in adults. The product uses proprietary ProSorb® delivery technology to deliver a finely dispersed, rapidly absorbed formulation of diclofenac.

Zipsor, which was introduced by Xanodyne in 2009, achieved approximately \$19 million of net sales in the 12 months ended May 31, 2012. Depomed acquired the product in return for \$25.9 million of cash and potential milestone payments based on sales of Zipsor and assumption of certain liabilities.

"We are pleased to expand our portfolio of pain products with the addition of Zipsor to our sales force of 164 reps and 78 flex reps that today are detailing Depomed's Gralise®(gabapentin)," said Jim Schoeneck, president and CEO of Depomed. "Zipsor is an NSAID that we believe is differentiated in the pain space, allowing rapid absorption of the lowest available oral dose of diclofenac. With current sales of approximately \$19 million annually, Zipsor will have an immediate positive impact on Depomed's financials. We believe we will have the runway to achieve significant returns for our shareholders from this acquisition, with the Orange Book listed patents for Zipsor expiring in 2019 and 2029. We plan to utilize our sales force to promote Zipsor to pain specialists, neurologists, and high prescribing PCPs, including those we currently detail for Gralise in addition to current prescribers of Zipsor."

Conference Call Information Depomed will host a conference call today, June 21, beginning at 5:00 p.m. Eastern time, 2:00 p.m. California time to discuss the acquisition of Zipsor. The conference call will be available via a live webcast on the investor relations section of Depomed's website at <http://www.depomed.com>. The dial-in number for the conference call is 877.317.6789 and for international calls 412.317.6789. Access the website 15 minutes prior to the start of the call to download and install any necessary audio software. An archived webcast replay will be available on the Company's website for three months.

About Zipsor Zipsor (diclofenac potassium) liquid filled capsule is a benzeneacetic acid derivative non-steroidal anti-inflammatory drug (NSAID). The mechanism of action of Zipsor, like that of other NSAIDs, is not completely understood but may involve inhibition of the cyclooxygenase (COX-1 and COX-2) pathways. Diclofenac's mechanism may also be related to prostaglandin synthetase inhibition.

Zipsor is specifically indicated for the relief of mild to moderate acute pain in adults (18 years of age

is 25 mg four times a day. The US FDA approved Zipsor in June 2009.

Important Safety Information Like all prescription NSAIDs, Zipsor may increase the chance of a heart attack or stroke that can lead to death. Zipsor should not be used right before or after certain heart surgeries. Serious skin reactions or stomach and intestine problems, such as bleeding and ulcers, can occur without warning and may cause death. Patients taking aspirin or other blood thinners and the elderly are at increased risk for stomach bleeding and ulcers. Tell your doctor about all of the medications you take and all of your medical conditions prior to taking Zipsor, especially if you are pregnant, have a history of ulcers or bleeding in the stomach or intestines, have high blood pressure or heart failure or heart disease, or have kidney or liver problems. People with aspirin-sensitive asthma or allergic reactions due to aspirin or other NSAIDs should not take Zipsor. Prescription Zipsor should be used exactly as prescribed at the lowest possible dose for the shortest time needed. For additional important safety information about Zipsor, see the FDA-approved medication guide or the full prescribing information available at www.zipsor.com.

About Depomed Depomed, Inc. is a specialty pharmaceutical company with two approved and marketed products. Gralise[™] (gabapentin) is a once-daily treatment approved for the management of postherpetic neuralgia (PHN). Glumetza[®] (metformin hydrochloride extended release tablets) is approved for use in adults with type 2 diabetes and is commercialized by Santarus, Inc. in the United States. Depomed formulates its products and product candidates with its proven, proprietary Acuform[®] drug delivery technology, which is designed to improve existing oral medications, allowing for extended release of medications to the upper gastrointestinal tract when dosed with food. Additional information about Depomed may be found on its website, www.depomed.com.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995. The statements that are not historical facts contained in this release are forward-looking statements that involve risks and uncertainties including, but not limited to, those related to Depomed's ability to commercialize Zipsor, uncertainties relating to enforcement of intellectual property rights in the life science industry and other risks detailed in the company's Securities and Exchange Commission filings, including the company's Annual Report on Form 10-K for the year ended December 31, 2011 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2012. The inclusion of forward-looking statements should not be regarded as a representation that any of the company's plans or objectives will be achieved. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

CONTACT: August J. Moretti Depomed, Inc. 650-462-5900 amoretti@depomed.com

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